

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-124

May 30, 2002

CENTRAL MAINE POWER COMPANY,)
Annual Price Change Pursuant to the)
Alternative Rate Plan (ARP 2000))

STIPULATION

The undersigned, being parties to this proceeding agree as follows:

1. On March 15, 2002, Central Maine Power Company ("CMP") made its annual compliance filing in accordance with Paragraph 30 of the Alternative Rate Plan Stipulation ("ARP 2000") dated September 7, 2000, and approved by the Commission in its Order dated November 16, 2000, in Docket No. 99-666. The Parties agree to accept the annual price change as set forth in the March 15, 2002, compliance filing subject to the following modifications:

- A. Attachments 1-4 are replaced with revised attachments contained herein reflecting (i) an updated inflation index, (ii) an update for ice storm reimbursements received subsequent to the establishment of the ice storm cost recovery in Docket No. 97-580, (iii) updated rate design schedules, and (iv) revisions to schedules to reflect the treatment as described in paragraph 2 below for overcollected demand-side management program ("DSM") funds for the period March 1, 2000 through December 31, 2001. As shown on Attachment 1, CMP's distribution prices caps will decrease by 4.55% on July 1, 2002.
- B. In its March 15, 2002, compliance filing, CMP proposed to include the overcollection of Power Partner costs as of December 31, 2001, of \$2,257,000 as part of the ARP 2000 distribution price decrease scheduled for July 1, 2002. See Attachment 8 to the March 15, 2002, compliance filing. The Commission Staff informed the Parties that the issue of whether or not such overcollected Power Partner Program costs should be

returned to customers will be addressed at an early stage in the DSM funding decision making process in Docket No. 2002-161. Therefore, the Parties have agreed not to address the matter in this proceeding. Therefore, the price cap calculation in Attachment 1 to this Stipulation does not contain a return to customers of the overcollected Power Partner Program costs.

2. All attachments referred to in this Stipulation are incorporated herein by reference and are intended to be considered as part of this Stipulation as if their terms were fully set forth in the body of this Stipulation. The attachments are as follows:

Attachment 1: July 2002 Price Change

Attachment 2: Price Cap Mechanism, Calculation of Inflation Index

Attachment 3: Ice Storm Revenue Requirement Reduction as of June 30, 2002

Attachment 4: Distribution Rate Design – Core Rates

Attachment 5: Rate Summary

3. Four events were included in the March 15, 2002 filing that CMP believes qualify as mandated cost events pursuant to the mandated cost analysis (Paragraph 8) of the ARP 2000 Stipulation. Those events include an MPUC Regulatory Assessment Charge in the amount of \$244,000. There were also costs of \$1,323,000 (including carrying costs) associated with two snow storms and one wind storm which occurred between February 9, 2001 and April 2, 2001. However, these events were below the \$3 million threshold in the ARP 2000; thus CMP did not request recovery of any mandated costs. The Parties do not agree as to whether each of the referenced events would constitute mandated cost events, and thus, be subject to the mandated cost provisions. The Parties agree, however, that the Commission should not resolve this matter presently since it does not impact the 2002 price change calculation.

4. The Parties also acknowledge that CMP will be changing its transmission rates for distribution level customers effective July 1, 2002. CMP will file with the Commission, on or

before June 18, 2002, rate schedules and Term and Condition 44.1 reflecting both the distribution price change permitted by this Stipulation and the transmission price change.

5. The execution of this Stipulation by any Party shall not constitute precedent as to any matter of law or fact nor, except as expressly provided herein, shall it foreclose any of the Parties from making any contention or exercising any right, including rights of appeal, in any other Commission proceeding or investigation, or any other trial or action.

6. The Parties intend that this Stipulation be considered by the Commission for adoption as an integrated solution to the issues addressed herein which arose in the above-captioned proceeding and as otherwise presented in this Stipulation. The Parties also intend that this Stipulation shall be null and void, and not bind the Parties in the above-captioned proceeding, in the event the Commission does not adopt this Stipulation without material modification.

7. If not accepted by the Commission in accordance with the provisions hereof, this Stipulation shall not prejudice the positions taken by any Party on these issues before the Commission in this proceeding and shall not be admissible evidence therein or in any other proceeding before the Commission.

8. The Parties to this Stipulation agree that the record in support of this Stipulation includes CMP's initial filing and updates thereto and all data responses.

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed by their respective attorneys or representatives, or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

CENTRAL MAINE POWER COMPANY

Dated: _____

By: _____

OFFICE OF THE PUBLIC ADVOCATE

Dated: _____

By: _____